

**NORTH PARK REDEVELOPMENT
PROJECT AREA COMMITTEE (PAC)
MEETING MINUTES**

Tuesday, June 14, 2011

Media Arts Center El Cajon Blvd, San Diego, CA 92104

I. Roll Call & Introductions

- a. Called meeting to order at 6:01 p.m.

David Cohen	Present	Judi O'Boyle	Present
Patrick Edwards	Present	Lachlan Oliver	Absent
Don Leichtling	Present	Robert Steppke	Present
Roger Lewis	Present	Jennifer Litwak	Present
Valerie Loy	Absent	James Tinsky	Present
Lucky Morrison	Present	Mary Wilkinson	Present

II. Adoption of Agenda

- a. Leichtling Motioned/Cohen 2nd
i. Unanimous Approval 10-0
1. Oliver absent
2. Loy absent

III. Approval of Minutes

- a. Edwards requested board members names in Minutes to be in bold typeface
b. Leichtling Motioned/Tinsky 2nd
i. Unanimous Approval 10-0
1. Oliver absent
2. Loy absent

IV. Elected Official's Reports

- a. Council District 3 Update
i. Copy of District 3 Dialogue distributed
ii. June 25th 2200 University 10 – 11a.m. there is a Community Coffee
iii. Leichtling asked a question on redistricting. Council staffer stated they cannot comment on redistricting at this time.

V. Public Comment

- a. O'Boyle discussed the Episcopal Dises and their plan to demolish historical elements of the building.

VI. Chair's Report

- a. Michael Lengyel received an email from Ms. Loy who served on the PAC and due to increased situations in her life is resigning her position, which is effective as of today so we may agenized going through the selection and put out a request for Residential Tenant.
b. State Legislature scheduled to take a vote on State Budget and there are a few proposals on the table. Lewis discussed the various proposals and switched to discussing redevelopment proposals.
c. Reminder that during our meeting tonight we need to craft explicit motions because they have not been.

VII. Action/Discussion Items

- a. Presentation by Council District 7 on Redevelopment Agency Restructuring Proposal
i. Information Item
ii. Appreciates the PAC taking the time to listen. The Action Item the Council representative would like to take is our opinion on this proposal and its impact on the NP PAC. City member here, Mike Jenkins, to consult with community members on this particular issue, because he authored the presented proposal. Proposal was developed as a starting place for discussion to put an idea out there and get input to reach a consensus.

- iii. Mike Jenkins stated that by starting with a proposal to analyze potential costs. Background, sophisticated about Redevelopment but not everyone knows so a primer about redevelopment. There is a misunderstanding in terms of agency organization because there is only one Redevelopment Agency (Agency) in the City of SD and the Board of Directors is the City Council sitting as the Board. CCDC (2 areas) is a 501(c)(3) non-profit and carries out a contract with the Agency and SEDC (4 areas that merged) same concept. There are eleven (11) other Project Areas, including North Park. Agency is in charge of redevelopment with three different contracts. No employees, all contractors and each one has its own interests. The Board has fiduciary responsibility to the corporation so it makes sense they are going to propose policy in the best interest of the corp. Therefore, there are divergences in the interests of the three players. The Executive Director of the Agency is the Mayor. Conflict of interest that the Mayor is an employee of Agency as a violation of state law.
- iv. Starting point for the dialogue . . .
 - 1. Proposal to combine all redevelopment project areas to be named SDDC. CCDC has done a well job and people with the City operate on slim resources compared to CCDC so the proposal is to merge their expertise with City expertise. Discretionary review process in downtown redevelopment.
 - 2. Agency should have direct employees → see proposal.
 - 3. Take 20 % and increase to 35% over three years and move to SD HC and have expertise on affordable housing centralized.
 - 4. Mayor's role in policy would be restored in asking him to sit in an ex officio role.
- v. Ron → hired by 9 members of the Board and there would be direct employees. J the most common structure is the Executive Director works for the Agency and then there is a K to the local government in other cities other employees work directly for the Agency.
- vi. Leichtling → how do people give input? June and July asking for input and respond directly to martiemerald@sandiego.gov and you can direct your comments there by email. This evening's comments would be put into writing that would revise a proposal to come back to the Ad Hoc Committee in Sept.
- vii. Stern → how does this affect the speed of the process? One of the problems in the disparity in resources. PACS role is advisory and the relationship to non-profit is to be determined.
- viii. Morrison → concerns putting things under CCDC mentality. Community input being so far down on the list doesn't really seem like a vested interest.
 - 1. Answers: input is invaluable and this is a starting point because you have to put something on the table you can't talk about what you are going to talk about. Not going to be CCDC it is a structural basis. Each council member is going to appoint one person to the Board where as now the Mayor appoints people.
- ix. Leichtling → 16 years of redevelopment and as they try and make it more streamlined they screw it up. Shift low mod housing to another agency SDHC. NP is leading the way in low mod housing and this is a way to reduce local input.
- x. Tinsky → in favor of increasing affordable housing funds. Not in favor of SD HC being the sole distributor. In favor of community representation that the PAC offers. People don't understand redevelopment.
- xi. Edwards → our PAC has done a stellar job and we are locally committed to what we are trying to do. Someone from downtown doesn't know what is going on here in NP. If reduction in local input for regional advantage he is not in favor. Keep the local involvement including the low mod housing.
- xii. O'Boyle → problem with appointment of 9 people and revitalization doesn't occur equally across the city council districts and it should be proportionate to revitalization that needs to occur. All blighted areas shouldn't have 'superagencies' like CCDC. Some parts of downtown are not blighted.
- xiii. Cohen → question on proposed structure on diagram of positions and SD Redevelopment Board then the ED and then SD Corp Board and is appointed by City Council. The Executive Director is hired by the Agency Board (9 City Council Members). What is missing is the local voice.
- xiv. Litwak → Affordable Housing and SD HC's agenda? Affordable housing definitionally complex so how to not comingle several funding sources cognizant of State Redevelopment Law and Fed money. CCDC already has contracts with SDHC. Transparent as mud.

1. 2nd point of course CCDC is downtown focused because their footprint is 80 blocks.
- xv. Lewis → advocate for City's redevelopment agency and how it works with PAC. Focus on corporation ideal may be appropriate because a relationship with agency and council and community input and in the projects here we are social services orientated and there is consideration of what is most important and CCDC model and bylaws and so forth and that alone without some fundamental changes to community investment is may be a problem. CCDC expedited review process being done in house is a problem. The community planning committee for all of CCDC and are the same people on the PAC and they are all the same people so that is a problem.
 1. Subcommittee or a Special Meeting to put together a Letter from the PAC Board to CM. Wrap-up discussion by the end of July.
- xvi. Public Comment
 1. Appreciate a special meeting.
- b. Recommendation on Request for NP Gateway
 - i. Lengyel → Exclusive negotiation agreement to give them the property and approx. 55K. They did some more analysis and some potential changes in scope and pricing. Passing out Budget
 - ii. Presentation
 1. Update on progress on project:
 - a. City approvals on concept and zoning on the project
 - b. CEQA document that is almost ready to be improved
 - c. Investigation once they received access to the building
 - d. Meet with historical people with resolution on historical aspects of the building
 2. There are inc costs that were unanticipated because 1) with the limited amount of time they were only able to touch the building and 2) nondestructive testing to determine what needs to be done on the building
 - a. Following Items:
 - i. Roofing
 - ii. Structural modifications to the building that are needed to part of seismic on the building
 1. 50K → 114K
 - iii. City Review
 1. Impact Fees, which is part of the increase
 - iv. Administrative Fees (LEED, etc.) are more then had expected
 - b. Reducing costs in order to make the project work so if they trim some things down they can meet the goals.
 - c. Three Phases
 - i. Shell with Structural Component
 1. Additionally 335K
 - ii. Tenant Improvement
 - iii. Tenant Improvement on Retail
 - d. Made reductions in profit fees
 - i. 408293 reduced to ?
 - ii. Removing photoelectric cells to the apartments 83K
 - iii. LEED save 40 to 50 in administrative fees, CAL Green Building Code, Tier 2 and requires less fees
 1. In some cases Tier 2 is more stringent than LEED
 - e. 100K additional to do all the sidewalks and reduce some administrative costs on the building
 3. Public Comment
 - a. Stern →
 - i. Cal Green Equitability because we choose LEED and we have no internal verification for PAC because with LEED they check and verify that condition so is there an alternative?
 - ii. Original Bids and what the differences are in the increase. Caution to sent a precedence that a commercial endeavor that all other projects have been requested to go through.

- b. Made a proposal and waiting for a second invitation to ask for. So disconcerting that exception for errors in requesting bids.
- 4. Board Comments
 - a. Wilkinson → agrees with public comments she was on the Board that picked the developer and the 55K for structural modifications is low. Agrees that other candidates could be a low amount and then come forward to request more money.
 - b. O'Boyle → change the project because they are historically accurate, create jobs, community benefit and we can't treat one group a grant but we have to be fair
 - c. Edwards → disagrees with what has been said and change in group in terms of fiduciary responsibility and concerned with future of PAC. Should they go forward with this and we have the money so when applicants return. We would not be setting a precedence to deny developers. This project brought equity to the project and the only one that had that during the RFP and not stop this on the basis on some numbers. Fully support the Board.
 - d. Cohen → concern lack of knowledge and cannot read. More documentation. E & A with City and a budget that I haven't seen. Hard to make an informed decisions.
 - e. Litwak → I was not here for the original presentation. I agree with Cohen and Edwards but because I have little/no information to go on then depending on the Motion, I will probably have to abstain.
 - f. Steppke → cannot support this at this time. Did not anticipate seismic and it is an old building. The developer was experienced and that was why he originally voted in favor of the project but that doesn't seem to be the case.
 - g. Tinksy → Fine with Cal Green instead of LEED
 - i. Redevelopment person working with the developer it is not uncommon to for the price to increase. The financial consultant indicated the gap is far higher then they reported which is closer to 500 – 600 K.
 - h. Morrison → will not be voting.
 - i. Leichtling → disappointed in solar panels. Concerned with 150K profit that is down like 200 – 300K from the original project. Okay with Tier 2.
 - i. If we had the number sooner it would have been helpful
 - ii. Concerned with profit
 - iii. Form a subcommittee and meet with owners and report back and both sides can look at the numbers because the bottom line is we want to see something neat in that building.
 - iv. Other comments we need to be fair to everyone that is what we are hear for.
 - j. Lewis → the project that was presented tonight is not the project that was presented and competed with 3 other RFP's. We cannot do something because we think something is going to happen tonight with redevelopment. The comments re: diligence is on target.
 - i. More green
 - ii. Community infrastructure
 - iii. Reducing the green takes the solar advantage away
 - k. Would like to do the project so that it is affordable.
 - l. Edwards → there was a green component and not that this was the 'greenest' and the other RFP's were non-profit in nature and they did not generate the tax increment and jobs and his opinion was that the other RFP's was that this represented the greatest return on the investment
 - m. Morrison → green element was a component and there was a quantified numbers variable thing and in that there was a numerical total and all three committee members did that independently and they all agreed that they should win the RFP

- n. Mary → would have to review the projects but it wasn't as clear-cut or her numbers were. Transparency and are we being fair to the community. Passionate about what she wants to see in NP and she would vote No tonight because there is not enough information.
- o. Developer Comment → it was an estimate and not an error and they do everything internally and the construction is going up but they would like to do it sooner than later

5. Discussion

- a. Put together a proposal and be cognizant of the fact and submit that to Board with numbers that are solid and send it back to the original group and they can prepare that and they can come back to us.
- b. Provide an Agency's proposal and economic analysis
- c. Judy → maintain sustainability
- d. Leichtling → elect a subcommittee and one person would be on the initial group and meet with redevelopment staff and meet with the owners and come back to the PAC with a decision
- e. Motion → Table the current project until next month. NP Gateway project must provide a differential pro forma and budget as well as a clear narrative explaining all scope changes from the February meeting 2 weeks prior to the July Meeting.
 - i. Discussion
 - 1. Morrison → what is the purpose
 - 2. Edwards → redevelopment economic analysis to be included. It is in there.
 - 3. Lewis → consider amending motion to have selection sub-com also meet with developer.
 - ii. Vote:
 - 1. 9 – 1 (Leichtling) – 0

VIII. Sub-Committee/Liaison Reports

- a. MAD
 - i. Brief meeting. Preliminary information S Canyon. Also, the MAD will be dark for July so the next meeting will be August.
- b. Project Area Improvements
 - i. Meeting with Michael and discuss location of the sign. Update on Boundary project and hasn't really worked on it.
- c. NP Community Plan Update
 - i. Meeting this month is cancelled.
- d. Green Initiatives
- e. Multi-Family Development
 - i. Meet with Michael and our Committee is meeting today to determine a time to meet monthly.
- f. NP Mini-Park Steering Committee
 - i. Planning Charrette and they are supposed to put those ideas on the web. Positive about the consultant and felt they were listening and had some interesting ideas.

IX. Staff Report/Project Updates

- a. Anticipate budget vote tomorrow at the State level.
 - i. Vote to eliminate us and the 2nd Bill we could chose to not be eliminated if we decide to give some money. Put a lot of money in the Cooperation Agreement so we wouldn't have the money to make the payment. Look to the PAC for a recommendation to the Mayor.
 - ii. Proposals for redevelopment and as they come in we can have the PAC weigh in.
 - iii. Pass out the monthly project report update.

X. Requests for Next Agenda

- a. Woolworth Project
- b. Public Announcement of vacant Residential Tenant Seat board selection appointment to fill the seat
 - i. Fill the seat on Multifamily Development Committee
- c. Edwards → Lafayette Hotel for next meeting and maybe permanently
- d. O'Boyle → buy St. Luke's property

- e. Committee can ask for consultation to meeting with the Multifamily HELP

XI. Adjournment

- a. Tinsky Motioned/Wilkinson 2nd
- b. Meeting adjourned at 8:25 p.m.